



MEMORANDUM

TO: Kimball Payne, City Manager

FROM: Cecil V. Martinette Jr., Fire Chief CVM

DATE: March 8, 2004

RE: INCREASING AMBULANCE TRANSPORT RATES

FILE:

After considerable evaluation of Medicare fee schedule information, consideration of ambulance transport fees for other areas of the State, and careful review of the City's own ambulance fees, the department is recommending an increase in our current ambulance transport fee schedule as follows:

Transport Type	Existing	Proposed
Basic Life Support – Non Emergency	175	325
Basic Life Support – Emergency	200	350
Advanced Life Support – Non Emergency	225	425
Advanced Life Support – Emergency 1	250	450
Advanced Life Support – Emergency 2	275	575
Loaded Patient Mile	5.00/mile	8.00/mile

As you will note on the attached worksheet, an additional \$600,000 could be collected during FY 2005 as a result of these increases. And, while these proposed increases are of considerable magnitude, a significant increase in the City's rates is necessary before the Medicare "Blended Fee" Schedule reaches its final level on January 1, 2006.

I realize that additional review and action by City Administration and City Council is required prior to the implementation of the revised rates, however the department believes July 1, 2004 would be the most appropriate starting date for the new fee schedule.

If you would contact me regarding steps involved in the review and approval process, I will direct our staff to initiate these activities as quickly as possible.

I look forward to working with you, your staff, and City Council on this most important project.

Attachment

FY 2005 Estimated Ambulance Transport and Mileage Revenue *

* Includes anticipated payments from primary carrier and secondary insurance/patient co-payments, if applicable

Type Transport	FY 2005 Estimated Transport Revenue				Medicare				Medicaid				BC/BS Anthem				Other Comm. Insurance				Private Pay				Other				Total					
	Current	Proposed																																
	Transport	Transport	Estimated	Allowable	Total	Total	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated				
	Fee (\$)	Fee (\$)	Transports	Charge(\$)**	Billed (\$)	Allowable(\$)	Rate	Revenue(\$)	Transports	Billed(\$)	Allowed	Rate	Revenue(\$)	Transports	Billed(\$)	Rate	Revenue(\$)	Transports	Billed(\$)	Rate	Revenue(\$)	Transports	Billed(\$)	Rate	Revenue(\$)	Transports	Billed(\$)	Rate	Revenue(\$)	Transports	Billed(\$)	Rate	Revenue(\$)	FY 2005 Annual Revenue
BLS NE	175	325	1290	151.28	419,250	195,151	60%	117,091	473	153,725	32,455	85%	27,587	238	77,350	80%	61,880	359	116,675	80%	93,340	359	116,675	60%	70,005	34	11,050	100%	11,050				380,915	
BLS E	200	350	1633	216.42	571,550	353,414	85%	300,402	925	323,750	63,469	85%	53,948	384	134,400	80%	107,520	562	196,700	80%	157,360	394	137,900	60%	82,740	3	1,050	100%	1,050				703,020	
ALS NE	225	425	15	195.82	6,375	2,937	85%	2,497	5	2,125	343	85%	292	4	1,700	80%	1,360	9	3,825	80%	3,060	4	1,700	60%	1,020	0	0	100%	0				8,228	
ALS 1	250	450	684	277.29	307,800	189,663	85%	161,213	199	89,550	13,654	85%	11,606	156	70,200	80%	56,160	293	131,850	80%	105,480	215	96,750	60%	58,050	3	1,350	100%	1,350				393,860	
ALS 2	275	575	42	376.20	24,150	15,800	85%	13,430	5	2,875	343	85%	292	11	6,325	80%	5,060	20	11,500	80%	9,200	11	6,325	60%	3,795	0	0	100%	0				31,777	
Sub total			3664		1,329,125	756,966		594,633	1607	572,025	110,264		93,724	793	289,975		231,980	1,243	460,550		368,440	983	359,350		215,610	40	13,450		13,450				1,517,833	

** Includes six months of CY 2004 rate and six months of CY 2005 rate

*** Medicaid reimburses via a flat fee schedule, paying \$75 or \$150 depending on the number of miles a patient is transported. No other payments are provided other than select patient co-payments for some Medicare patients.

FY 2005 Estimated Mileage Revenue

	Current Mileage Fee	Proposed Mileage Fee	Agency/ Group	Est. Miles****	Allowable Charge(\$)	Total Mileage Billed(\$)	Estimated Collection Rate	Estimated Mileage Revenue
Loaded Mile	5/LM	8/LM	Medicare	12,824	4.83	61,940	85%	52,649
	5/LM	8/LM	Medicaid	5,625	0	0	0%	0
	5/LM	8/LM	BC/BS Anthr	2,776	8.00	22,204	80%	17,763
	5/LM	8/LM	Other Ins.	4,351	8.00	34,804	80%	27,843
	5/LM	8/LM	Private Pay	3,441	8.00	27,524	60%	16,514
	5/LM	8/LM	Other Ins.	140	8.00	1,120	100%	1,120
Total				29,155		147,592		115,890

**** Total transports x 3.5 miles

TOTAL ESTIMATED FY 2005 AMBULANCE TRANSPORT AND MILEAGE REVENUE ESTIMATE 1,633,727

FY 2003 Transport Summary

Type Call/Payer	Medicare	Medicaid	BC/BS Anthem	Other Comm Insurance	Private Pay	Other	Total
BLS NE	1,290	473	238	359	359	34	2,753
BLS E	1,633	925	384	562	394	3	3,901
ALS NE	15	5	4	9	4	0	37
ALS 1	684	199	156	293	215	3	1,550
ALS 2	42	5	11	20	11	0	89
Total	3,664	1,607	793	1,243	983	40	8,330
Percent of Total	44.0%	19.3%	9.5%	14.9%	11.8%	0.5%	100.0%

Ambulance Transport Fee Survey
(March 3, 2004)

Agency	BLS- NE	BLS- E	ALS- NE	ALS- 1	ALS- 2	Mileage	Comments
Lynchburg (Proposed)	325	350	425	450	575	8.00	
Amherst Co.	-	300	-	400	550	8.25	
Chesterfield Co.	-	350	-	385	385	7.50	Would like to charge more for ALS- 2 transports
Colonial Heights	-	350	-	350	350	7.50	
Eastern Shore	-	300	-	400	550	8.25	Nine (9) volunteer agencies
Halifax Co	-	300	-	400	550	8.25	Volunteer rescue agency
Hampton	-	200	-	270	270	0	\$48/yr. Subscription Program
Hopewell	-	300	-	400	500	7.50	
Newport News	150	150	200	200	200	-	\$30 service fee
Norfolk	-	288	-	342	497	5.75	
Portsmouth	-	288	-	497	588	5.75	Information from May 2003
Prince Edward Co	-	300	-	400	500	7.00	Volunteer rescue agency
Prince George Co	-	350	-	400	450	8.25	Volunteer agency-to initiate charge system in the near future
Richmond Co	-	300	-	400	550	8.25	Volunteer rescue agency
Roanoke City	175	280	290	290	290	9.00	Response & evaluation fee - \$70
Washington Co	-	300	-	400	575	8.25	Volunteer Fire/EMS agency
York Co	-	-	-	-	-	-	Agency does not bill for EMS